



## Secured Perimeters International

August 4, 2016

By Electronic Filing

Comment

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
WASHINGTON, D.C. 20554

Re: *Rates for Interstate Inmate Calling Services*, WC DOCKET NO. 12-375

Dear Ms. Dortch:

As you are aware, the inmate telephone industry is a niche business and it is apparent that some inmate telephone providers like to continue and keep the water muddy. I believe that Mr. Michael Hamden's Petition was filed with good intentions. It appears that he believes that by eliminating commission, or requiring all companies to pay the same lower amount of commission, that his plan will generate lower per minute rates and total call costs for inmates and their families.

In my opinion, Mr. Hamden's Petition will never be successful, because per minute calling rates were only a small part of the overall problem. Fees (which have always been non-commissionable) are the true culprit for the price gouging. This has been further proven by the contract and agreement examples shown in Counsel for the Wright Petitioners, Mr. Lee Petro's Ex Parte Notice that was filed on July 29<sup>th</sup>.

It is interesting that most of the companies that stand opposed to the FCC and some State PSC recommendations have filed documents in favor of Mr. Hamden's Petition. They are the companies that continue to charge the most non-commissionable fees to the inmates and their families. Additionally, most of these companies stopped paying commission on interstate calling in February of 2014, and some without following contractual agreements with the correctional facilities, i.e., their own customers.

Unfortunately, there are a lot of inmate telephone providers that blame the FCC and are telling customers that interstate commission has been abolished and that the FCC could impose penalties for companies that break the rules. In reality, those companies were participating in bid wars which resulted in commission offerings into the high 80 to 90%, but most importantly, the bid wars were also stifling competition for the companies that chose not to charge higher fees. Please be aware that the current "Single Payment" call type, that remains a regulatory loop-hole is the main method used by fee oriented companies, because most of their contracts are written to only pay commission on the rate of the call, but not the fees. Some companies continue to charge up to \$14.99 per "Single Payment" call. Also, they sometimes refer to the call type as *a one-time collect credit card call*.



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Unless someone has spent several years working within the inmate telecom market, creative wording, abundance of acronyms, new technology, regulatory changes, etc., can make it very difficult for County personnel to understand the true meaning of their inmate telephone contracts, and especially when it comes to revenue reconciliation.

Our company works with several Sheriff's Offices that inherited the inmate telephone agreements and vendors. Many of these Sheriffs were receiving complaints from the inmates and citizens of their counties about the high inmate telephone and kiosk rates and fees. Our factual findings prove that some of the Inmate Telephone Providers were charging excessive fees, which were unknown to the Sheriff's Offices. They did not pay commission correctly, and they continue to say that their commission shortfalls are due to the FCC changes. Some of these same companies have filed statements with the FCC stating that they were forced to renegotiate contracts with their customers, but in reality, some of their customers have outstanding revenue issues with the Providers now, and continue to fight about the high fees that are being charged to the inmates and their families, which have never been commissionable. These Providers also do not agree to provide all of the data or raw call detail records which are necessary for 100% revenue reconciliation. We also plead with you and the Commissioners to continue and stay strong on the data reporting requirements and we urge you to make them facility specific.

Efforts and recommendations that have previously been made by the FCC are welcomed by Secured Perimeters International and the Inmate Telephone Providers and Vendors that do not participate in fee gouging, and that stand opposed to Michael Hamden's Petition. These are the inmate telephone providers and companies that bring fair and reasonable rates to the inmates and their families. Because their businesses were never built on fees, they can remain profitable while providing a fair and reasonable commission offering to the correctional facilities. Lucky for the inmates and families, these businesses survived not being crushed in the commission "bidding wars", so we plead with you and the Commissioners to continue to not stifle the honest inmate telephone providers and continue to allow private companies to decide how they use their net profits.

Should you have any questions regarding these matters, please don't hesitate to contact me.

Respectfully,

Karen Doss-Harbison

President

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